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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-870]

Certain Oil Country Tubular Goods from the Republic of Korea: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that SeAH Steel Corporation (SeAH) and NEXTEEL Co., Ltd. (NEXTEEL), producers/exporters of certain oil country tubular goods (OCTG) from the Republic of Korea (Korea), sold subject merchandise in the United States at prices below normal value (NV) during the period of review (POR) September 1, 2015 through August 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Deborah Scott or Michael J. Heaney, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2657 or (202) 482-4475, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 10, 2017, Commerce published the *Preliminary Results* of this administrative review of OCTG from Korea.¹ We invited interested parties to comment on the *Preliminary Results*. Between November 30 and December 8, 2017, Commerce received timely filed briefs

¹ See *Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 46963 (October 10, 2017) (*Preliminary Results*), and accompanying Decision Memorandum (Preliminary Decision Memorandum).

and rebuttal briefs from various interested parties. On January 19, 2018, Maverick Tube Corporation and TenarisBayCity, and United States Steel Corporation filed a duty reimbursement allegation with respect to NEXTEEL.²

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.³ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. As a result, the revised deadline for the final results of this review was February 12, 2018. On January 31, 2018, Commerce postponed the final results of this review until April 11, 2018.

These final results cover 31 companies.⁴ Based on an analysis of the comments received, Commerce has made changes to the weighted-average dumping margins determined for the respondents. The weighted-average dumping margins are listed in the "Final Results of Review" section, below. Commerce conducted this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American

² See Maverick Letter, "Oil Country Tubular Goods from The Republic of Korea: Duty Reimbursement and Further Information in Support of Duties as a Cost Allegation," dated January 19, 2018, refiled as "Oil Country Tubular Goods from The Republic of Korea: Resubmission of Petitioners' Duty Reimbursement and Further Information in Support of Duties as a Cost Allegation," dated February 6, 2018.

³ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by three days.

⁴ The 31 companies consist of two mandatory respondents, four companies for which we made a final determination of no shipments, and 25 companies not individually examined.

Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG coupling stock. For a complete description of the scope of the order, *see* the Issues and Decision Memorandum.⁵

Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted with this notice. The issues are identified in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on our analysis of the comments received, and for the reasons explained in the Issues and Decision Memorandum, we made certain changes to the *Preliminary Results*. We made one revision to our preliminary calculation of the weighted-average dumping margin for

⁵ *See* Memorandum, "Issues and Decision Memorandum for the Final Results of the 2015-2016 Administrative Review of the Antidumping Duty Order on Certain Oil Country Tubular Goods from the Republic of Korea," dated concurrently with this notice (Issues and Decision Memorandum).

SeAH.⁶ For NEXTEEL, Commerce determined that it is appropriate to apply total adverse facts available for these final results.⁷

Application of Facts Available and Adverse Facts Available

For these final results, we find that NEXTEEL withheld necessary information and significantly impeded the proceeding and, thus, failed to cooperate to the best of its ability in responding to Commerce's requests for information. Therefore, we find that the application of adverse facts available, pursuant to section 776(a)-(b) of the Act, is warranted with respect to NEXTEEL. For a full description of the methodology and rationale underlying our conclusions, *see* Issues and Decision Memorandum.

Final Determination of No Shipments

In the *Preliminary Results*, Commerce preliminarily determined that Hyundai RB Co., Ltd. (Hyundai RB), Samsung, Samsung C&T Corporation (Samsung C&T), and SeAH Besteel Corporation (SeAH Besteel) had no shipments during the POR.⁸ Following publication of the *Preliminary Results*, we received no comments from interested parties regarding these companies. As a result, and because the record contains no evidence to the contrary, we continue to find that Hyundai RB, Samsung, Samsung C&T and SeAH Besteel made no shipments during the POR. Accordingly, consistent with Commerce's practice, we will instruct U.S. Customs and Border Protection (CBP) to liquidate any existing entries of merchandise produced by these four companies, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.⁹

⁶ *See* Issues and Decision Memorandum at Comment 14.

⁷ *Id.*, at Comment 6.

⁸ *See Preliminary Results*, 82 FR at 46963.

⁹ *See, e.g., Magnesium Metal From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal From the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

Duty Absorption

In the *Preliminary Results*, Commerce indicated that it would make a determination in the final results of this review as to whether SeAH and NEXTEEL absorbed antidumping duties during the instant POR.¹⁰ For these final results, we find that SeAH and NEXTEEL have absorbed antidumping duties.¹¹

Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

For these final results, we calculated a weighted-average dumping margin that is not zero, *de minimis*, or determined entirely on the basis of facts available for SeAH, and we determined NEXTEEL's margin entirely on the basis of facts available. Because SeAH's weighted-average dumping margin is the only margin that is not zero, *de minimis*, or determined entirely on the basis of facts available, in accordance with our standard practice, Commerce has assigned to the

¹⁰ See Preliminary Decision Memorandum, at 6.

¹¹ For further discussion, see Issues and Decision Memorandum at Comment 5.

companies not individually examined the 6.75 percent weighted-average dumping margin calculated for SeAH for these final results.

Final Results of Review

Commerce determines that the following weighted-average dumping margins exist for the period September 1, 2015 through August 31, 2016:

Exporter or Producer	Weighted-Average Dumping Margins (percent)
NEXTEEL Co., Ltd.	75.81
SeAH Steel Corporation	6.75
Non-examined companies ¹²	6.75

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this administrative review in the *Federal Register*.

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S.

¹² See Appendix II for a full list of these companies.

sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).¹³ Where Commerce calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, Commerce will direct CBP to assess importer- (or customer-) specific assessment rates based on the resulting per-unit rates.¹⁴ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), Commerce will instruct CBP to collect the appropriate duties at the time of liquidation.¹⁵ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁶

For the companies which were not selected for individual review, we will assign an assessment rate based on the methodology described in the “Rates for Non-Examined Companies” section, above.

Consistent with Commerce’s assessment practice, for entries of subject merchandise during the POR produced by SeAH, NEXTEEL, or the non-examined companies for which the producer did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁷

¹³ See 19 CFR 351.212(b)(1).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ See 19 CFR 351.106(c)(2).

¹⁷ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

As noted in the “Final Determination of No Shipments” section, above, Commerce will instruct CBP to liquidate any existing entries of merchandise produced by but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rates for the companies listed in these final results will be equal to the weighted-average dumping margins established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,¹⁸ the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement

¹⁸ See *Certain Oil Country Tubular Goods from the Republic of Korea: Notice of Court Decision Not in Harmony With Final Determination*, 81 FR 59603 (August 30, 2016).

could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: April 11, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
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- VI. Rate for Non-Examined Companies
- VII. Discussion of the Issues

General Issues

- Comment 1: Particular Market Situation
- Comment 2: Additional Particular Market Situation Adjustments
- Comment 3: Allegation of Improper Political Influence
- Comment 4: Calculation of ILJIN's Margin
- Comment 5: Duty Absorption
- Comment 6: Duty Reimbursement and Application of Adverse Facts Available
- Comment 7: Calculation of Constructed Value Profit
- Comment 8: Differential Pricing
- Comment 9: Rate for Non-Examined Respondents

SeAH-Specific Issues

- Comment 10: Interested Party Standing
- Comment 11: Reporting of Grade Codes
- Comment 12: Freight Revenue Cap
- Comment 13: Treatment of General and Administrative Expenses Incurred by SeAH's U.S. Affiliate in Further Manufacturing Costs
- Comment 14: Calculation of General and Administrative Expenses Incurred by SeAH's U.S. Affiliate
- Comment 15: Treatment of Interest Expenses for SeAH's U.S. Affiliate in Further Manufacturing Costs

NEXTEEL-Specific Issues

- Comment 16: NEXTEEL's Warranty Expense Calculation
- Comment 17: POSCO Daewoo's Warranty Expense Calculation
- Comment 18: POSCO Daewoo's Further Manufacturing Costs
- Comment 19: Suspended Production Losses
- Comment 20: Cost Adjustment for Downgraded, Non-OCTG Pipe
- Comment 21: Programming Errors

- VIII. Recommendation

Appendix 2

List of Companies Not Individually Examined

BDP International
Daewoo America
Daewoo International Corporation
Dong-A Steel Co. Ltd.
Dong Yang Steel Pipe
Dongbu Incheon Steel
DSEC
Erndtebruecker Eisenwerk and Company
Hansol Metal
Husteel Co., Ltd.
Hyundai HYSCO
Hyundai Steel Company¹⁹
ILJIN Steel Corporation
Jim And Freight Co., Ltd.
Kia Steel Co. Ltd.
KSP Steel Company
Kukje Steel
Kurvers
POSCO Daewoo Corporation
POSCO Daewoo America
Steel Canada
Sumitomo Corporation
TGS Pipe
Yonghyun Base Materials
ZEECO Asia

¹⁹ On September 21, 2016, Commerce published the final results of a changed circumstances review with respect to OCTG from Korea, finding that Hyundai Steel Corporation is the successor-in-interest to Hyundai HYSCO for purposes of determining antidumping duty cash deposits and liabilities. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Oil Country Tubular Goods From the Republic of Korea*, 81 FR 64873 (September 21, 2016). Hyundai Steel Company is also known as Hyundai Steel Corporation and Hyundai Steel Co. Ltd.

